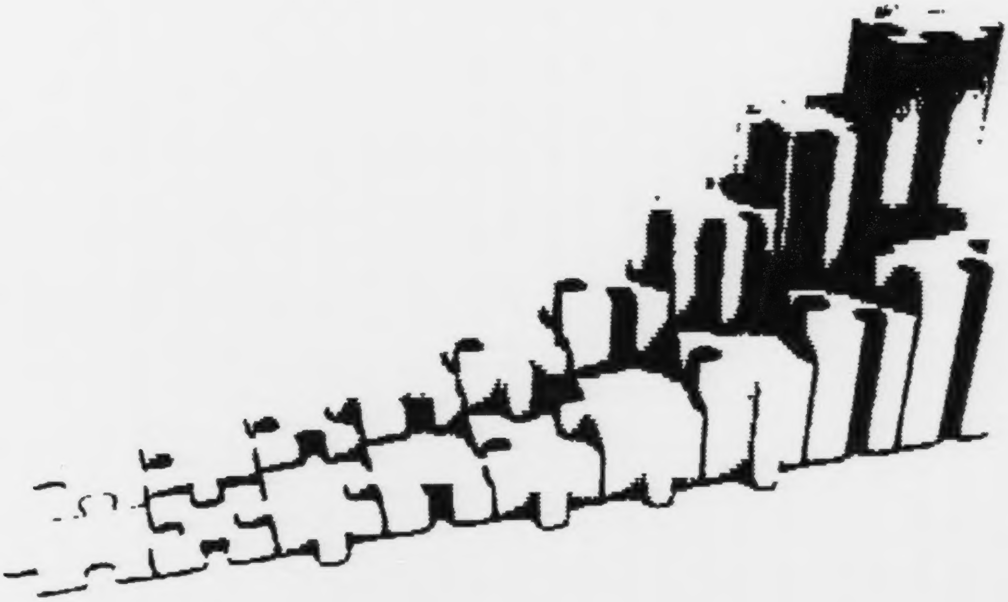
Quarter 3 Financial Report
For the period ended September 30, 2011



CIC Crown Investments Corporation of Saskatchewan

Introduction

Crown Investments Corporation of Saskatchewan (CIC) is the provincial government's holding corporation for its commercial Crown corporations. CIC has invested equity in its subsidiary corporations and collects dividends from these corporations.

The purpose of the following discussion is to provide users of CIC's financial statements with an overview of its financial health. The September 30, 2011 unaudited condensed interim financial statements are presented under International Financial Reporting Standards (IFRS) using IAS 34 - *Interim Financial Statements*. Although the narrative on CIC's 2011 third quarter financial results should be read in conjunction with the December 31, 2010 audited consolidated and non-consolidated financial statements, readers should note that the December 31, 2010 audited financial statements have been prepared under Canadian Generally Accepted Accounting Principles (GAAP). Readers should also reference CIC's March 31, 2011 unaudited condensed interim financial statements which was the first period reported using IFRS.

To facilitate greater transparency and accountability, CIC prepares two different sets of financial statements: CIC's consolidated financial statements that report on the commercial Crown sector; and CIC's separate financial statements that reflect its role as a holding corporation for the Province.

CIC Consolidated Financial Statements

CIC's consolidated financial statements include CIC's results consolidated with the results of its subsidiary corporations. The unaudited condensed consolidated interim financial statements are prepared in accordance with IFRS and include:

- Financial results of subsidiary Crown corporations:

  Information Services Corporation of Saskatchewan (ISC)
  SaskEnergy Incorporated (SaskEnergy)
  Saskatchewan Development Fund Corporation (SDFC)
  Saskatchewan Gaming Corporation (SGC)
  Saskatchewan Government Insurance (SGI)
  Saskatchewan Opportunities Corporation (SOCO)
  Saskatchewan Power Corporation (SaskPower)
  Saskatchewan Telecommunications Holding Corporation and Saskatchewan Telecommunications (collectively SaskTel)
  Saskatchewan Transportation Company (STC)
  Saskatchewan Water Corporation (SaskWater)

- Financial results of wholly-owned subsidiary share capital corporations:

  CIC Asset Management Inc. (CIC AMI)
  CIC Economic Holdco Ltd.
  CIC Apex Equity Holdco Ltd.
  First Nations and Métis Fund Inc.
  Saskatchewan Immigrant Investor Fund Inc.

- Costs incurred by its wholly-owned non-profit subsidiary Gradworks Inc.;
- Dividends paid by CIC to the General Revenue Fund (GRF); and
- CIC's operating costs, public policy expenditures and interest earned on cash and short-term investment balances.

Consolidated earnings represent the total earnings in the Crown sector, taking into consideration the elimination of all inter-entity transactions (i.e. revenues and expenses between Crown corporations and dividends paid by Crown corporations to CIC).

CIC Separate Financial Statements

CIC's separate financial statements are used to determine CIC's capacity to pay dividends to the Province's GRF. The unaudited condensed separate financial statements have been prepared in accordance with IAS 27 - *Consolidated and Separate Financial Statements* and IAS 34 - *Interim Financial Statements* at the request of the Saskatchewan Legislative Assembly. These financial statements are intended to isolate the Corporation's cash-flow and capital and operating support for certain subsidiary corporations. These financial statements include:

- Dividends from subsidiary Crown corporations (SaskTel, SaskEnergy, SGI, SGC, SOCO, and ISC);
- Dividends from share capital subsidiary CIC AMI;
- Dividends paid by CIC to the GRF;
- Grants to subsidiary corporations; and
- CIC's interest revenue on cash and short-term investment balances and operating costs.

Consolidated Financial Statements

Management's Discussion and Analysis

Forward-Looking Information

Throughout the quarterly report, and particularly in the following discussion, are forward-looking statements. These statements can be recognized by terms such as "outlook", "expect", "anticipate", "project", "continue" or other expressions that relate to estimations or future events. By their nature, forward-looking statements require assumptions based on current information, management experience and historical performance. Forward-looking information is subject to uncertainties, and, as a result, forward-looking statements are not a guarantee about the future performance of CIC and its subsidiary corporations.

Readers should not place undue reliance on forward-looking statements, as a number of factors could cause actual results to differ materially from estimates, predictions and assumptions. Other factors that can influence performance include, but are not limited to: weather conditions, commodity markets, general economic and political conditions, interest and exchange rates, performance and competition in the Crown sector, and the regulatory environment. Given these uncertainties, assumptions contained in forward-looking statements may or may not occur.

Transition to IFRS

The Canadian Accounting Standards Board confirmed that publicly accountable enterprises are required to adopt International Financial Reporting Standards (IFRS) in place of Canadian Generally Accepted Accounting Principles (GAAP) for interim and annual reporting in fiscal years beginning on or after January 1, 2011, including comparative figures for the prior year. The Public Sector Accounting Board (PSAB) in September 2009 approved an amendment to the introduction to the Public Sector Accounting Handbook, which requires Government Business Enterprises (GBE's) to adopt IFRS. CIC, as a consolidated entity is a GBE, therefore, CIC has selected IFRS as its accounting platform for the CIC consolidated financial statements. The unaudited September 30, 2011 condensed consolidated interim statements are prepared under IFRS using IAS 34 - *Interim Financial Statements*. The accounting policies set out in Note 3 to the unaudited condensed consolidated interim financial statements have been consistently applied in preparing the financial statements for the period ended September 30, 2011 and the comparative information presented in these financial statements for the period ended September 30, 2010. In preparing comparative information, CIC has adjusted amounts reported previously in accordance with GAAP. Explanations of how the transition from GAAP to IFRS has affected CIC's financial position, financial performance, and cash flows, is set out in Note 12 of the unaudited condensed consolidated interim financial statements.

Management's Discussion and Analysis (continued)

Major Lines of Business

CIC is involved in a broad array of industries through various forms of investment. A number of investments are held as wholly-owned subsidiaries, while others are associates and jointly-controlled entities, held through CIC's wholly-owned subsidiaries.

Management's Discussion & Analysis (MD&A) highlights the primary factors that have an impact on the consolidated financial results and operations of CIC. It should be read in conjunction with CIC's unaudited condensed consolidated interim financial statements and supporting notes for the period ended September 30, 2011. These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 - *Interim Financial Reporting*.

Although this narrative on CIC's 2011 third quarter financial results should be read in conjunction with the December 31, 2010 audited consolidated financial statements, readers should note that the December 31, 2010 audited financial statements have been prepared under GAAP. Readers should also reference CIC's March 31, 2011 unaudited condensed consolidated interim financial statements which was the first period reported using IFRS.

For purposes of the MD&A on CIC's consolidated results, "CIC" refers to the consolidated entity. The following table lists wholly-owned subsidiaries, including the respective business line, which CIC consolidates in its financial statements:

Investment	Major Business Line
Saskatchewan Power Corporation (SaskPower)	Electricity
Saskatchewan Telecommunications Holding Corporation and Saskatchewan Telecommunications (collectively SaskTel)	Telecommunications
SaskEnergy Incorporated (SaskEnergy)	Natural Gas
Saskatchewan Water Corporation (SaskWater)	Water and Wastewater
Information Services Corporation of Saskatchewan (ISC)	Registry Services
Saskatchewan Government Insurance (SGI)	Property and Casualty Insurance
Saskatchewan Gaming Corporation (SGC)	Entertainment
CIC Asset Management Inc. (CIC AMI)	Investments
Saskatchewan Opportunities Corporation (SOCO)	Research Parks
Saskatchewan Development Fund Corporation (SDFC)	Inactive
Saskatchewan Transportation Company (STC)	Passenger and Freight Transportation

■ Utilities ■ Insurance ■ Entertainment ■ Investment and Economic Growth ■ Transportation

Subsidiary Corporation Earnings (Losses) For the nine months ended (millions of dollars) (unaudited)	September 30 2011	September 30 2010
SaskPower	**$ 234.2**	$ 127.7
SaskTel	**112.3**	124.9
SaskEnergy	**60.4**	20.2
SGI	**(24.0)**	24.4
CIC AMI	**7.6**	(1.1)
SGC	**19.7**	16.8
ISC	**14.3**	13.5
SaskWater	**3.2**	0.7
STC	**0.1**	0.4
SOCO	**4.7**	4.6
CIC (separate) and Other	**(55.6)**	(26.5)
Net Earnings	**$ 376.9**	$ 305.6

The Corporation's consolidated net earnings for the nine months ended September 30, 2011 were $376.9 million (2010 - $305.6 million) which was a $71.3 million increase over the same period in 2010. SaskPower's earnings were $106.5 million higher and therefore make up the majority of the consolidated increase. Earnings improvements were also realized by SaskEnergy, CIC AMI, SGC, ISC, SaskWater and SOCO. These increases were partially offset by lower earnings at SaskTel and STC, and a loss at SGI.

Income from Operations

Income from operations for the first nine months of 2011 was $3,342.5 million (2010 - $3,303.2 million), an increase of $39.3 million compared to the same period in 2010.

Revenue for the the first nine months of 2011 was $3,307.6 million (2010 - $3,237.0 million) or an increase of $70.6 million from the same period in 2010 primarily related to:

1. SaskPower revenue increased $144.7 million due primarily to a system-wide average rate increase of 4.5 per cent that became effective on August 1, 2010, as well as an increase of 651 gigawatt hours (GWh) in sales volumes to Saskatchewan customers compared to the same period in 2010;
2. SGI sales increased $28.8 million due mainly to a 12.1 per cent overall increase in premiums compared to the same period in 2010 with premiums increasing in all jurisdictions (Saskatchewan, Ontario, Alberta, Manitoba and the Atlantic provinces);
3. SaskWater revenue increased $6.3 million primarily due to increased use of non-potable water by major industrial customers including new potash operations that began in April 2011;
4. ISC revenue increased $8.4 million due primarily to a higher number of land registry transactions and an increase in the average change of ownership transaction value compared to the same period in 2010;
5. SGC revenue increased $7.4 million due in part to lower than normal revenue realized in 2010 as a result of an employee strike. Guest counts at Casino Regina and Moose Jaw also increased modestly compared to the same period in 2010;

Management's Discussion and Analysis (continued)

Income from Operations (continued)

the increases were partially offset by:

6. SaskEnergy revenue decreased by $102.9 million due to lower commodity rates for natural gas sales to distribution utility customers partially offset by favourable volume increases related to colder weather. The commodity rate was $4.47 per Gigajoule (GJ) for the first nine months of 2011 compared to $5.15 per GJ during the same period in 2010 (see offsetting gain below under operating expenses). These negative impacts were partially offset by increased sales volumes due to the weather in Saskatchewan being 9.0 per cent colder in the first nine months of 2011 versus the same period in 2010.

Other income for the first nine months of 2011 was $34.9 million (2010 - $66.2 million) which was a $31.3 million decrease over the same period in 2010. The decrease was mainly related to a 2011 Cabinet decision to proceed with the construction of SaskPower's Boundary Dam 3 refurbishment and carbon capture and storage initiative. Prior to this decision, grants for this project were recorded as revenue as qualifying expenditures were made. During the construction phase grants are capitalized.

Expenses

Expenses for the first nine months of 2011 were $2,829.3 million (2010 - $2,892.8 million) or a decrease of $63.5 million from the same period in 2010 primarily related to:

1. A $152.0 million decrease in expenses at SaskEnergy mainly related to a lower average cost of natural gas sold which fell to $4.48 per GJ during the first nine months of 2011 compared to $5.31 per GJ during the same period in 2010[1]. This was partially offset by increased volumes due to the weather in Saskatchewan being 9.0 per cent colder in the first nine months of 2011 compared to the same period in 2010;

   this decrease was partially offset by:

2. An increase of $43.6 million at SGI due mainly to higher claim expenses related to storms and flooding in the spring of 2011 in Alberta, Saskatchewan and Manitoba;
3. An increase of $34.8 million in expenses at SaskTel primarily due to higher hardware subsidies, *Max™* Entertainment content expenses, network maintenance costs and project related expenses. These increases were partially offset by lower roaming expenses due to reduced rates and usage. Depreciation and amortization also increased $8.3 million due to more plant in service;
4. A $7.8 million increase in expenses at ISC due to higher employee, research and development, and information technology costs related to the transfer of the corporations registry to ISC effective October, 2010; and
5. A $4.7 million increase at SGC due in part to lower than normal expenses incurred in 2010 as a result of an employee strike.

[1] SaskEnergy passes the cost of gas to distribution customers without mark-up, in any period, actual costs may differ from the rate charged to customers. Differences are collected / refunded to customers in a future period.

Management's Discussion and Analysis (continued)

Net Finance Expenses

Net finance expenses for the first nine months of 2011 were $166.5 million (2010 - $124.7 million) a $41.8 million increase from the same period in 2010. SGI net finance expenses increased $33.4 million due to significant negative returns on equity investments related to the current uncertainty in global financial markets. SaskPower net finance expenses increased $8.6 million due mainly to additional interest expense on higher long-term debt balances needed to finance its capital expenditure program. Net finance expenses increased at SaskTel by $5.1 million due primarily to reduced capitalized interest related to significantly lower plant under construction in 2011 versus 2010.

Net Earnings from Discontinued Operations

Net earnings from discontinued operations for the first nine months of 2011 were $22.2 million (2010 - $3.4 million). The $18.8 million increase is due to: a $27.0 million gain on sale of Saskatoon 2 Properties Limited Partnership (Saskatoon Square); a $3.7 million gain on the sale of Hospitality Network Canada, Inc.; and a $2.2 million gain on sale of IGASAMEX USA Ltd.; partially offset by a $10.7 million loss on sale of Gas Sur S.A. These transactions are described in Note 5 to the unaudited condensed consolidated interim financial statements.

Capital Spending

In the first nine months of 2011, property, plant and equipment, intangible asset and investment property purchases were $609.1 million (2010 - $714.4 million). Major 2011 capital expenditures included:

1. $310.5 million at SaskPower including $65.0 million in customer connections, $18.0 million on refurbishment of Unit #4 at the Island Falls Power Station; $40.0 million for the Boundary Dam carbon capture project, and $13.0 million for a new billing system;
2. $105.9 million at SaskEnergy to expand the capacity, improve the safety and maintain the integrity of its extensive distribution and transmission systems, connect new customers to the natural gas distribution system throughout the Province, and expand pipeline infrastructure in south-eastern Saskatchewan's oil-rich Bakken region, which will transport natural gas that has been captured and processed by oil companies in the region; and
3. $162.6 million at SaskTel mainly related to increasing customer bandwidth, ongoing cellular network upgrades to Universal Mobile Telecommunications System (UMTS)/High Speed Packet Access (HSPA) technology, investing in Fiber to the Premise to increase access speeds, further network growth and refurbishment, investing in *Max™* Interactive Services, and improving high speed internet quality.

In the first nine months of 2011, investment purchases were $488.6 million (2010 - $382.6 million) an increase of $106.0 million. The majority of the increase was at SGI where investment purchases increased $100.8 million due to changes in the mix of its investment portfolio during the period.

Debt at September 30, 2011 was $4,462.8 million (December 31, 2010 - $4,440.9 million), an increase of $21.9 million due mainly to a $34.9 million increase in Saskatchewan Immigrant Investor Fund Inc. debt partially offset by a $9.2 million decrease in debt at SaskTel due to repayments of notes payable.

Management's Discussion and Analysis (continued)

Liquidity

CIC and its subsidiary Crowns finance capital requirements through internally generated cash flow and borrowing. The GRF borrows in capital markets on behalf of Crowns. The GRF has sufficient access to capital markets for anticipated borrowing requirements.

Province of Saskatchewan Credit Ratings on Long-Term Debt
as at September 30, 2011

Moody's Investor Service	Aa1
Standard & Poor's	AAA
Dominion Bond Rating Service	AA

Liquidity and Capital Resources

Cash Flow Highlights (millions of dollars)	For the nine months ended September 30 2011	September 30 2010
Net cash from operating activities	**$ 768.6**	$ 599.1
Net cash used in investing activities	**(554.8)**	(459.1)
Dividends paid	**(8.5)**	(195.0)
Repayment of equity advances	**-**	(120.0)
Debt proceeds received	**35.2**	383.3
Debt repaid	**(4.2)**	(175.0)
Other financing activities	**(155.2)**	(7.6)
Change in cash	**$ 81.1**	$ 25.7

Operating, Investing and Financing Activities

Net cash from operating activities for the nine months ended September 30, 2011 was $768.6 million (2010 - $599.1 million) an increase of $169.5 million. Although net earnings increased by $71.2 million, this was partially offset by a $35.6 million decrease in adjustments to reconcile net earnings to cash from operating activities resulting in an overall cash impact from earnings which was $35.6 million higher than the same period in 2010 (see details in Note 11 to the unaudited condensed consolidated interim financial statements). Net cash from operating activities was also positively impacted by a $67.7 million increase in non-cash working capital balances, a $61.4 million increase in cash provided by operating activities from discontinued operations, and a $4.8 million reduction in interest paid.

Net cash used in investing activities for the nine months ended September 30, 2011 was $554.8 million (2010 - $459.1 million). The $95.7 million increase in cash outflows is primarily related to:

1. A $106.0 million increase in investment purchases due primarily to SGI turning over its investment portfolio to change its asset mix during the period; and

Management's Discussion and Analysis (continued)

Operating, Investing and Financing Activities (continued)

2. A $136.5 million decrease in proceeds from the sale and collection of investments. Proceeds realized by CIC (separate) decreased by $190.7 million due to reclassifications of cash between cash and cash equivalents and short-term investments. All excess cash is invested in short-term money market investments. An investment is classifed as cash if it has a maturity date of 90 days or less, or as a short-term investment if the maturity date is 91 days or more. This decrease was partially offset by $52.8 million in higher proceeds at SGI due to turning over its investment portfolio to change its asset mix during the period;

   these increases were partially offset by:

3. A $105.3 million decrease in capital expenditures.

Net cash used in financing activities for the nine months ended September 30, 2011 was $132.7 million or $18.4 million higher than the $114.3 million cash outflow for the same period in 2010. The increase was due to:

1. A $69.1 increase in notes payable repayments;
2. A $51.8 million decrease in other liabilities;
3. A $348.0 million decrease in debt proceeds; and
4. A $26.8 million increase in net sinking fund instalments;

these increases were partially offset by:

5. A $170.8 million decrease in debt repayments;
6. A $120.0 million decrease in equity repayments to the GRF; and
7. A $186.5 million decrease in dividends to the GRF.

Debt Management

CIC and its subsidiary Crowns prudently manage debt to maintain and enhance financial flexibility. The CIC Board has approved debt targets for CIC and its commercial subsidiaries that take into account their individual circumstances and industry benchmarks.

Outlook

CIC's outlook related to net earnings is highly dependent upon the performance and management of the subsidiary corporations. Earnings expectations are also subject to many variables including: weather conditions, commodity markets, general economic and political conditions, interest and exchange rates, performance and competition, and the regulatory environment. Based on the year-to-date performance of the subsidiary corporations and the projected performance for the remainder of the year, CIC anticipates net earnings to exceed budgeted earnings of $371.7 million.

CIC projects continued strong operating performance. Net earnings are largely driven by utility Crowns that have relatively stable operating environments, stable or growing customer demand, and rates that are set in accordance with commercial principles. Ongoing challenges are expected to continue, to maintain and expand utility infrastructure at SaskPower and SaskEnergy, as well as to keep pace with industry technological change at SaskTel. Significant capital expenditures in these companies are expected in the medium term.

In addition, continued volatility in financial markets may further affect valuation of pension liabilities, portfolio investments, and natural gas price management instruments.

Crown Investments Corporation of Saskatchewan
Condensed Consolidated Statement of Financial Position
As at
(thousands of dollars)
(unaudited)

	Note	**September 30 2011**	December 31 2010
ASSETS			
Current			
Cash and cash equivalents		**$ 481,332**	$ 404,528
Short-term investments		**335,179**	210,613
Accounts receivable		**552,938**	599,801
Restricted cash and cash equivalents		**41,471**	128,818
Derivative financial assets		**63,582**	79,124
Inventories		**426,496**	397,748
Prepaid expenses		**174,310**	136,298
Assets classified as held-for-sale	5	**-**	41,729
		2,075,308	1,998,659
Restricted cash and cash equivalents		**12,705**	20,000
Investments		**1,068,941**	1,014,894
Investments in equity accounted investees		**146,884**	167,508
Property, plant and equipment	6	**7,767,021**	7,589,535
Investment property		**173,114**	53,724
Intangible assets		**226,905**	202,495
Other assets		**19,525**	20,866
		$ 11,490,403	$ 11,067,681
LIABILITIES AND PROVINCE'S EQUITY			
Current			
Bank indebtedness		**$ 943**	$ 11,239
Trade and other payables		**563,322**	571,426
Derivative financial liabilities		**83,260**	113,758
Notes payable		**462,576**	472,851
Deferred revenue		**402,175**	456,473
Provisions		**156,451**	125,780
Current portion of finance lease obligations		**4,685**	3,502
Liabilities classified as held-for-sale	5	**-**	1,635
Long-term debt due within one year		**13,681**	15,035
		1,687,093	1,771,699
Provisions		**474,662**	431,233
Finance lease obligations		**412,888**	415,947
Long-term debt		**3,986,504**	3,953,023
Employee future benefits	7	**528,930**	360,525
Other liabilities		**68,268**	70,987
		7,158,345	7,003,414
Province of Saskatchewan's Equity			
Equity advances	8	**1,051,839**	931,152
Contributed surplus		**125**	161
Retained earnings		**3,280,603**	3,133,865
Accumulated other comprehensive loss	9	**(509)**	(911)
		4,332,058	4,064,267
		$ 11,490,403	$ 11,067,681

Commitments and contingencies 10
(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Condensed Consolidated Statement of Comprehensive Income (Loss)
For the Period
(thousands of dollars)
(unaudited)

	Note	2011 July 1 to September 30	2011 January 1 to September 30	2010 July 1 to September 30	2010 January 1 to September 30
INCOME FROM OPERATIONS					
Revenue		$ 1,061,441	$ 3,307,554	$ 1,082,529	$ 3,236,983
Other income		2,581	34,939	19,154	66,243
		1,064,022	3,342,493	1,101,683	3,303,226
EXPENSES					
Operating		542,306	1,686,126	620,369	1,783,216
Salaries, wages and short-term employee benefits		197,189	611,483	187,960	592,251
Employee future benefits		6,874	20,195	10,555	31,296
Depreciation and amortization	6	138,123	408,691	129,162	381,965
Loss on disposal of property, plant and equipment		3,283	3,073	3,067	7,176
Research and development		1,223	4,618	1,589	3,756
Provision for (recovery of) environmental remediation liabilities		816	(1,900)	1,340	4,020
Saskatchewan taxes and fees		34,051	97,035	30,531	89,088
		923,865	2,829,321	984,573	2,892,768
RESULTS FROM OPERATING ACTIVITIES		140,157	513,172	117,110	410,458
Finance income		23,120	54,860	45,402	83,256
Finance expenses		(74,195)	(221,401)	(68,723)	(208,005)
NET FINANCE EXPENSES		(51,075)	(166,541)	(23,321)	(124,749)
EARNINGS FROM OPERATIONS		89,082	346,631	93,789	285,709
Share of net earnings from equity accounted investees		2,801	7,985	6,765	16,493
EARNINGS FROM CONTINUING OPERATIONS		91,883	354,616	100,554	302,202
Net earnings from discontinued operations	5	2,162	22,245	967	3,426
NET EARNINGS		94,045	376,861	101,521	305,628
OTHER COMPREHENSIVE (LOSS) INCOME					
Defined benefit plan actuarial (loss) gain	7	(188,428)	(221,623)	26,101	(102,907)
Share of changes in comprehensive (loss) income recognized by associates		(164)	(32)	84	203
Foreign currency translation adjustments		701	809	35	(180)
Unrealized (loss) gain on cash flow hedges		(29)	(88)	129	545
Other		(169)	(287)	852	(543)
OTHER COMPREHENSIVE (LOSS) INCOME		(188,089)	(221,221)	27,201	(102,882)
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO THE PROVINCE OF SASKATCHEWAN		$ (94,044)	$ 155,640	$ 128,722	$ 202,746

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Condensed Consolidated Statement of Changes in Equity
For the Period
(thousands of dollars)
(unaudited)

	Attributable to the Province of Saskatchewan				
	Equity Advances (Note 8)	Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Loss (Note 9)	Total Equity
Balance at January 1, 2010	$ 1,051,152	$ 136	$ 3,214,931	$ (608)	$ 4,265,611
Total comprehensive income (loss)	-	-	305,628	(102,882)	202,746
Transfers to retained earnings	-	-	(102,907)	102,907	-
Dividends to GRF	-	-	(195,000)	-	(195,000)
Repayment of equity advances	(120,000)	-	-	-	(120,000)
Other	-	2	948	-	950
Balance at September 30, 2010	$ 931,152	$ 138	$ 3,223,600	$ (583)	$ 4,154,307
Balance at October 1, 2010	$ 931,152	$ 138	$ 3,223,600	$ (583)	$ 4,154,307
Total comprehensive income	-	-	130,758	55,179	185,937
Transfers from retained earnings	-	-	55,507	(55,507)	-
Dividends to GRF	-	-	(276,000)	-	(276,000)
Other	-	23	-	-	23
Balance at December 31, 2010	$ 931,152	$ 161	$ 3,133,865	$ (911)	$ 4,064,267
Balance at January 1, 2011	**$ 931,152**	**$ 161**	**$ 3,133,865**	**$ (911)**	**$ 4,064,267**
Total comprehensive income (loss)	**-**	**-**	**376,861**	**(221,221)**	**155,640**
Transfers to retained earnings	**-**	**-**	**(221,623)**	**221,623**	**-**
Equity advances	**120,687**	**-**	**-**	**-**	**120,687**
Dividends to GRF	**-**	**-**	**(8,500)**	**-**	**(8,500)**
Other	**-**	**(36)**	**-**	**-**	**(36)**
Balance at September 30, 2011	**$ 1,051,839**	**$ 125**	**$ 3,280,603**	**$ (509)**	**$ 4,332,058**

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Condensed Consolidated Statement of Cash Flows
For the Period
(thousands of dollars)
(unaudited)

	Note	**2011 January 1 to September 30**	2010 January 1 to September 30
OPERATING ACTIVITIES			
Net earnings		**$ 376,861**	$ 305,628
Adjustments to reconcile net earnings to cash from operating activities	11	**483,210**	518,812
		860,071	824,440
Net change in non-cash working capital balances related to operations		**82,033**	14,296
Interest paid		**(237,891)**	(242,684)
Cash provided by operating activities from continuing operations		**704,213**	596,052
Cash provided by operating activities from discontinued operations		**64,393**	3,043
Net cash from operating activities		**768,606**	599,095
INVESTING ACTIVITIES			
Interest received		**36,647**	32,954
Dividends received		**5,362**	7,028
Purchase of investments		**(488,617)**	(382,610)
Proceeds from sale and collection of investments		**389,906**	526,395
Purchase of property, plant and equipment		**(535,281)**	(688,759)
Proceeds from sale of property, plant and equipment		**5,667**	4,272
Purchase of intangible assets		**(70,207)**	(23,309)
Purchase of investment property		**(3,651)**	(2,334)
Decrease in restricted cash and cash equivalents		**104,911**	63,510
Decrease in other assets		**454**	3,766
Net cash used in investing activities		**(554,809)**	(459,087)
FINANCING ACTIVITIES			
(Decrease) increase in notes payable		**(10,275)**	58,825
Decrease in other liabilities		**(108,495)**	(56,718)
Debt proceeds from GRF		**550**	383,275
Debt repayments to GRF		**-**	(170,000)
Debt proceeds from other lenders		**34,681**	-
Debt repayments to other lenders		**(4,179)**	(4,969)
Sinking fund instalments		**(36,506)**	(30,966)
Sinking fund redemptions		**-**	21,269
Repayment of equity advances		**-**	(120,000)
Dividend paid to GRF		**(8,500)**	(195,000)
Net cash used in financing activities		**(132,724)**	(114,284)
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING PERIOD		**81,073**	25,724
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		**399,316**	333,328
CASH AND CASH EQUIVALENTS, END OF PERIOD		**$ 480,389**	$ 359,052
Cash and cash equivalents consists of:			
Cash and cash equivalents from continuing operations		**$ 481,332**	$ 366,565
Bank indebtedness from continuing operations		**(943)**	(13,298)
		480,389	353,267
Cash and cash equivalents from discontinued operations		**-**	5,785
		$ 480,389	$ 359,052

(See accompanying notes)

1. General information

Crown Investments Corporation of Saskatchewan (CIC) is a corporation domiciled in Canada. The address of CIC's registered office and principal place of business is 400 - 2400 College Avenue, Regina, SK, S4P 1C8. The condensed consolidated interim financial statements of CIC as at and for the nine months ended September 30, 2011 comprise CIC and its subsidiaries (collectively referred to as "CIC" or "the Corporation") and CIC's interest in associates, jointly controlled entities and jointly controlled assets with principal activities as described in Note 3.

The results included in these condensed consolidated interim financial statements should not be taken as indicative of the performance to be expected for a full year due to the seasonal nature of corporate operations.

2. Basis of preparation

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 - *Interim Financial Reporting.* This is the Corporation's first year preparing financial statements using International Financial Reporting Standards (IFRS), and IFRS 1 - *First-time Adoption of International Financial Reporting Standards* has been applied. The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements.

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of CIC is provided in Note 12.

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on November 23, 2011.

b) Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian Dollars, which is CIC's functional currency.

3. Significant accounting policies

The accounting policies and methods of computation used in the preparation of these condensed consolidated interim financial statements are consistent with those disclosed in CIC's March 31, 2011 condensed consolidated interim financial statements.

The accounting policies have been applied consistently to all periods presented in these condensed consolidated interim financial statements and have been consistently applied by CIC's subsidiaries.

Basis of consolidation

Subsidiaries

Saskatchewan provincial Crown corporations are either designated as subsidiary Crown corporations of CIC or created as CIC Crown corporations under *The Crown Corporations Act, 1993* (the Act). The Act assigns specific financial and other responsibilities regarding these corporations to CIC.

In addition to the Crown corporations listed below, CIC also consolidates the accounts of Gradworks Inc., a wholly-owned non-profit subsidiary, and the following wholly-owned share capital subsidiaries: CIC Asset Management Inc.; First Nations and Métis Fund Inc.; CIC Economic Holdco Ltd.; Saskatchewan Immigrant Investor Fund Inc. (SIIF)[1]; and CIC Apex Equity Holdco Ltd., all of which are domiciled in Canada.

Separate interim financial statements for CIC have been prepared to show the financial position and results of operations of the corporate entity. In addition, interim financial statements for each of the undernoted Crown corporations, which are consolidated in these financial statements, are prepared and released publicly:

Wholly-owned subsidiaries domiciled in Canada	Principal activity
Information Services Corporation of Saskatchewan (ISC)	Registry services
SaskEnergy Incorporated (SaskEnergy)	Natural gas
Saskatchewan Development Fund Corporation (SDFC)	Annuity underwriting
Saskatchewan Gaming Corporation (SGC)	Entertainment
Saskatchewan Government Insurance (SGI)	Property and casualty insurance
Saskatchewan Opportunities Corporation (SOCO)	Research parks
Saskatchewan Power Corporation (SaskPower)	Electricity
Saskatchewan Telecommunications Holding Corporation and Saskatchewan Telecommunications (collectively SaskTel)	Telecommunications
Saskatchewan Transportation Company (STC)	Passenger and freight transportation
Saskatchewan Water Corporation (SaskWater)	Water and wastewater

[1] SIIF was established on October 6, 2010 under *The Business Corporations Act (Saskatchewan)* to participate in the Government of Canada's Immigrant Investor Program (IIP) SIIF intends to use IIP funds to deliver the government of Saskatchewan's Headstart on a Home program to assist builders and developers in building affordable housing

Associates and jointly controlled entities (investments in equity accounted investees)

Associates are those entities in which CIC has significant influence, but not control, over strategic financial and operating decisions. Significant influence is presumed to exist when CIC holds between 20.0 and 50.0 per cent of the voting power of another entity. Jointly controlled entities are those entities over whose activities CIC has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Associates and jointly controlled entities are accounted for using the equity method and are recognized initially at cost. CIC's investment includes any goodwill identified at acquisition, net of accumulated impairment losses. The condensed consolidated interim financial statements include CIC's share of the total comprehensive income and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of CIC, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When CIC's share of losses exceeds its interest in equity accounted investees, the carrying amount of that interest is reduced to $Nil and the recognition of further losses is discontinued except to the extent that CIC has an obligation or has made payments on behalf of the investee.

3. Significant accounting policies (continued)

Basis of consolidation (continued)

Jointly controlled assets

Jointly controlled assets involve the joint control of one or more assets acquired for and dedicated to the purpose of a joint venture. The condensed consolidated interim financial statements include CIC's proportionate share of the jointly controlled assets, incurred liabilities and income and expenses as well as any liabilities and expenses that CIC has incurred directly with respect of its 50.0 per cent interest in the Kisbey Gas Gathering and Processing Facility and the Totnes Natural Gas Storage Facility.

Special purpose entities

CIC has established certain special purpose entities (SPEs) for trading and investment purposes. CIC does not have any direct or indirect shareholdings in these entities. An SPE is consolidated if, based on an evaluation of the substance of its relationship with CIC and the SPE's risks and rewards, CIC concludes that it controls the SPE. SPE's controlled by CIC were established under terms that impose strict limitations on the decision-making powers of the SPE's management and that result in CIC receiving the majority of the benefits related to the SPE's operations and net assets, being exposed to risks incident to the SPE's activities, and retaining the majority of the residual or ownership risks related to the SPE or its assets.

CIC has two SPE's, Meadow Lake Pulp Limited Partnership and 212822 Saskatchewan Ltd. These SPEs are not material to CIC's consolidated results.

Transactions eliminated on consolidation

Inter-group balances and transactions, and any unrealized income and expenses arising from inter-group transactions, are eliminated in preparing the condensed consolidated interim financial statements. Unrealized gains arising from transactions with investments in equity accounted investees are eliminated against the investment to the extent of CIC's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

4. Status of CIC

CIC was established by Order in Council 535/47 dated April 2, 1947, and is continued under the provisions of *The Crown Corporations Act, 1993*. CIC is an agent of Her Majesty in Right of the Province of Saskatchewan and as a provincial Crown corporation is not subject to federal and provincial income taxes. Certain jointly controlled enterprises and subsidiaries are not provincial Crown corporations and are subject to federal and provincial income taxes.

5. Discontinued operations and assets held for sale

During 2010, CIC approved plans to dispose of its wholly-owned subsidiary Hospitality Network Canada, Inc. (Hospitality Network) and its 70.0 per cent interest in Saskatoon 2 Properties Limited Partnership (Saskatoon Square).

On January 4, 2011, CIC sold its interest in Saskatoon Square for proceeds of $34.4 million resulting in a gain on sale of $27.0 million. On January 31, 2011, CIC disposed of the net assets of Hospitality Network for proceeds of $35.9 million resulting in a gain on sale of $3.7 million.

Effective January 1, 2011, the Corporation classified its 30.0 per cent ownership interest in Gas Sur S.A. and its 40.1 per cent ownership interest in IGASAMEX USA Ltd., as assets held for sale given the likelihood that the Corporation would sell those investments during the year. Accordingly, as of January 1, 2011, the Corporation ceased applying the equity method and began measuring those investments at the lower of carrying amount and fair value less cost to sell.

On June 28, 2011, the Corporation sold its 30.0 per cent ownership interest in Gas Sur S.A. resulting in proceeds of U.S. $6.0 million and a loss on sale of $10.7 million.

On September 28, 2011, the Corporation sold its 40.1 per cent ownership interest in IGASAMEX USA Ltd. resulting in proceeds of $17.4 million and a gain on sale of $2.2 million.

Assets classified as held for sale relating to discontinued operations are comprised of the following:
(thousands of dollars)

	September 30 2011	December 31 2010
Cash	$ -	$ 6,027
Accounts receivable	-	2,333
Prepaid expenses	-	310
Long-term assets classified as current	-	31,352
Other assets	-	1,707
	$ -	$ 41,729

Liabilities classified as held for sale relating to discontinued operations are comprised of the following:
(thousands of dollars)

	September 30 2011	December 31 2010
Accounts payable and accrued liabilities	$ -	$ 1,635

The impact of discontinued operations on consolidated net earnings is comprised of the following:
(thousands of dollars)

	September 30 2011	September 30 2010
Revenue	$ **2,530**	$ 22,842
Expenses	**(2,495)**	(19,416)
	35	3,426
Gain on sale of discontinued operations	**22,210**	-
Net earnings from discontinued operations	$ **22,245**	$ 3,426

6. Change in estimate

Effective July 1, 2011, CIC extended the useful life of certain property, plant and equipment to coincide with the revised exit date for the related technology. The impact is a reduction in depreciation expense of $4.2 million in the current year, a reduction in depreciation expense of $8.4 million in 2012 and 2013, and increases in depreciation expense in 2014 to 2016 of $6.5 million, $11.5 million and $2.9 million respectively.

7. Employee future benefits

Included in other comprehensive loss on the condensed consolidated statement of comprehensive income (loss) and in employee future benefits on the condensed consolidated statement of financial position are defined benefit actuarial losses, resulting from changes to the discount rate used to calculate employee future benefit plan liabilities and the actual versus estimated fair value of employee future benefit plan assets.

8. Equity advances and capital disclosures

CIC does not have share capital. However, CIC has received advances from the GRF to form its equity capitalization. The advances are an equity investment in CIC by the GRF.

Due to its ownership structure, CIC has no access to capital markets for equity. Equity advances in CIC are determined by the shareholder on an annual basis. Dividends to the GRF are determined through the Saskatchewan provincial budget process on an annual basis.

CIC closely monitors its debt level utilizing the debt ratio as a primary indicator of financial health. The debt ratio measures the amount of debt in a CIC's capital structure. CIC uses this measure in assessing the extent of financial leverage and in turn, its financial flexibility.

Too high a ratio relative to target indicates an excessive debt burden that may impair CIC's ability to withstand downturns in revenues and still meet fixed payment obligations. The ratio is calculated as net debt divided by capitalization at the end of the period.

CIC reviews the debt ratio targets of all its subsidiary Crown corporations on an annual basis to ensure consistency with industry standards. This review includes subsidiary Crown corporations' plans for capital spending. The target debt ratios for subsidiary Crown corporations are approved by the CIC Board. CIC uses targeted debt ratios to compile a weighted average debt to equity ratio for the CIC Crown sector. The target ratio for 2011 is 55.3 per cent.

CIC raises most of its capital requirements through internal operating activities and long-term debt through the GRF. This type of borrowing allows CIC to take advantage of the Province of Saskatchewan's strong credit rating and receive financing at attractive interest rates.

CIC made no changes to its approach to capital management during the period.

The debt ratio is as follows (thousands of dollars):

	September 30 2011	December 31 2010
Total debt (a)	**$ 4,462,761**	$ 4,440,909
Less: Sinking funds	**(489,259)**	(419,665)
Net debt	**3,973,502**	4,021,244
Equity (b)	**4,332,567**	4,065,178
Capitalization	**$ 8,306,069**	$ 8,086,422
Debt ratio	**47.8%**	49.7%

a) Total debt includes long-term debt, long-term debt due within one year and notes payable.

b) Equity includes equity advances, contributed surplus and retained earnings.

9. Accumulated other comprehensive loss
(thousands of dollars)

	September 30 2011	December 31 2010
Foreign currency translation adjustments	$ (297)	$ (1,106)
Unrealized gains on cash flow hedges	286	374
Unrealized losses on interest rate swaps	(557)	(525)
Unrealized gains on natural gas hedges	36	346
Other	23	-
	$ (509)	$ (911)

10. Commitments and contingencies

a) CIC has been named a defendant in a number of civil actions in relation to a natural gas explosion that occurred in April 2008 in Nipawin, Saskatchewan. CIC has denied liability on all claims, which remain at an early stage, and does not expect the outcome to result in any material financial impact.

b) In June, 2011 three statements of claim were filed against CIC in relation to a home explosion, a basement fire and a garage fire during the spring of 2011 in Regina, Saskatchewan. These claims remain at an early stage, statements of defence have not yet been filed and CIC does not expect the outcome to result in any material financial impact.

c) CIC has various legal matters pending which, in the opinion of management, will not have a material effect on CIC's consolidated financial position or results of operations. Should the ultimate resolution of actions differ from management's assessments and assumptions, a material adjustment to CIC's financial position or results of operations could result.

11. Consolidated statement of cash flows
(thousands of dollars)

	September 30 2011	September 30 2010
Adjustments to reconcile net earnings to cash provided by operating activities		
Depreciation and amortization	$ 408,691	$ 381,965
Earnings from investments in equity accounted investees	(7,985)	(16,493)
Net earnings from discontinued operations	(22,245)	(3,426)
Employer funding contributions	(39,069)	(39,424)
Defined benefit pension plan (income) expense	(5,093)	7,031
(Recovery of) provision for environmental remediation liabilities	(1,900)	4,020
Unrealized (gains) losses on derivative financial instruments	(15,265)	27,964
Net finance expenses	166,541	124,749
Other non-cash items	(465)	32,426
	$ 483,210	$ 518,812

12. Explanation of transition to IFRS

The accounting policies set out in Note 3 have been consistently applied in preparing the condensed consolidated interim financial statements for the period ended September 30, 2011, the comparative information presented in these financial statements for the year ended December 31, 2010, and the period ended September 30, 2010.

In preparing these condensed consolidated interim financial statements, CIC has adjusted amounts reported previously in financial statements prepared in accordance with GAAP. These adjustments relate to reclassifications and corrections of amounts previously reported under GAAP, or are required for the transition from GAAP to IFRS. Explanations of how these adjustments have affected CIC's financial position, financial performance and cash flows are set out in the following tables and the notes that accompany the tables (in cases where adjustments result in differences in excess of $5.0 million unless otherwise noted). For explanations of how these adjustments affected CIC's financial position at January 1, 2010 (the transition date) and December 31, 2010, please refer to CIC's March 31, 2011 condensed consolidated interim financial statements.

Reconciliation of consolidated equity
(thousands of dollars)

		September 30, 2010		
	Note	GAAP Balance	Adjustments	IFRS Balance
ASSETS				
Current				
Cash and cash equivalents	a	$ 372,127	$ (5,562)	$ 366,565
Short-term investments		388,509	-	388,509
Accounts receivable	b	465,757	27,229	492,986
Restricted cash and cash equivalents		87,386	(315)	87,071
Derivative financial assets		87,103	-	87,103
Inventories		440,809	252	441,061
Prepaid expenses		160,814	(3,165)	157,649
Assets classified as held-for-sale	c	8,216	32,983	41,199
		2,010,721	51,422	2,062,143
Restricted cash and cash equivalents		103,856	-	103,856
Investments	d	1,093,985	(18,021)	1,075,964
Investments in equity accounted investees	e	108,534	67,828	176,362
Property, plant and equipment	f	6,737,391	685,925	7,423,316
Investment property	g	-	53,633	53,633
Intangible assets	h	189,983	5,468	195,451
Other assets	i	185,505	(164,765)	20,740
Long-term assets from discontinued operations	j	39,354	(39,354)	-
		$ 10,469,329	$ 642,136	$ 11,111,465

12. Explanation of transition to IFRS (continued)

Reconciliation of consolidated equity (continued)
(thousands of dollars)

		September 30, 2010		
	Note	**GAAP Balance**	**Adjustments**	**IFRS Balance**
LIABILITIES AND PROVINCE'S EQUITY				
Current				
Bank indebtedness		$ 13,298	$ -	$ 13,298
Trade and other payables	k	470,207	(10,499)	459,708
Derivative financial liabilities		130,037	(11)	130,026
Notes payable		482,550	-	482,550
Deferred revenue	l	522,383	(116,824)	405,559
Provisions	m	-	131,749	131,749
Current portion of finance lease obligations		900	2,237	3,137
Liabilities classified as held-for-sale		2,447	(352)	2,095
Long-term debt due within one year		7,942	(4,205)	3,737
		1,629,764	2,095	1,631,859
Provisions	n	-	439,614	439,614
Finance lease obligations	o	6,692	410,110	416,802
Long-term debt	p	3,971,950	(71,294)	3,900,656
Employee future benefits	q	-	418,332	418,332
Other liabilities	r	626,655	(476,760)	149,895
Long-term liabilities from discontinued operations	s	5,687	(5,687)	-
		6,240,748	716,410	6,957,158
PROVINCE OF SASKATCHEWAN'S EQUITY				
Equity advances		931,152	-	931,152
Other equity items		139	(1)	138
Retained earnings	t	3,272,747	(49,147)	3,223,600
Accumulated other comprehensive income (loss)	u	24,543	(25,126)	(583)
		4,228,581	(74,274)	4,154,307
		$ 10,469,329	$ 642,136	$ 11,111,465

12. Explanation of transition to IFRS (continued)

Reconciliation of consolidated comprehensive income for the three months July 1, 2010 to September 30, 2010
(thousands of dollars)

	Note	GAAP Balance	Adjustments	IFRS Balance
REVENUE				
Sales of products and services	v	$ 1,070,668	$ 11,861	$ 1,082,529
Investment	w	35,447	(35,447)	-
Other	x	17,390	1,764	19,154
		1,123,505	(21,822)	1,101,683
EXPENSES				
Operating costs	y	823,177	(202,808)	620,369
Interest	z	54,431	(54,431)	-
Salaries, wages and short-term employee benefits	aa	-	187,960	187,960
Employee future benefits	ab	-	10,555	10,555
Depreciation and amortization	ac	125,452	3,710	129,162
Loss on disposal of property, plant and equipment	ad	-	3,067	3,067
Research and development	ae	-	1,589	1,589
Provision for environmental remediation liabilities		-	1,340	1,340
Saskatchewan taxes and fees	af	32,866	(2,335)	30,531
		1,035,926	(51,353)	984,573
RESULTS FROM OPERATING ACTIVITIES		87,579	29,531	117,110
Finance income	ag	-	45,402	45,402
Finance expenses	ah	-	(68,723)	(68,723)
NET FINANCE EXPENSES		-	(23,321)	(23,321)
EARNINGS FROM OPERATIONS		87,579	6,210	93,789
Share of net profit of equity accounted investees	ai	-	6,765	6,765
EARNINGS FROM CONTINUING OPERATIONS		87,579	12,975	100,554
Non-recurring items		4,113	(4,113)	-
Net earnings from discontinued operations		789	178	967
NET EARNINGS		92,481	9,040	101,521

12. Explanation of transition to IFRS (continued)

Reconciliation of consolidated comprehensive income for the three months July 1, 2010 to September 30, 2010 (continued)
(thousands of dollars)

	Note	GAAP Balance	Adjustments	IFRS Balance
OTHER COMPREHENSIVE LOSS				
Defined benefit plan actuarial gain		-	26,101	26,101
Share of changes in comprehensive income recognized by associates		-	84	84
Foreign currency translation adjustments		965	(930)	35
Unrealized gain on cash flow hedge		135	(6)	129
Unrealized gains on available-for-sale financial assets	aj	19,291	(19,291)	-
Reclassification for realized gains on sale of investments included in operations	ai	(9,395)	9,395	-
Other		-	852	852
OTHER COMPREHENSIVE INCOME		10,996	16,205	27,201
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO PROVINCE OF SASKATCHEWAN		$ 103,477	$ 25,245	$ 128,722

12. Explanation of transition to IFRS (continued)

Reconciliation of consolidated comprehensive income for the nine months ended September 30, 2010
(thousands of dollars)

	Note	GAAP Balance	Adjustments	IFRS Balance
REVENUE				
Sales of products and services	v	$ 3,225,784	$ 11,199	$ 3,236,983
Investment	w	76,556	(76,556)	-
Other	x	73,058	(6,815)	66,243
		3,375,398	(72,172)	3,303,226
EXPENSES				
Operating costs	y	2,451,295	(668,079)	1,783,216
Interest	z	166,547	(166,547)	-
Salaries, wages and short-term employee benefits	aa	-	592,251	592,251
Employee future benefits	ab	-	31,296	31,296
Depreciation and amortization	ac	370,502	11,463	381,965
Loss on disposal of property plant and equipment	ad	-	7,176	7,176
Research and development	ae	-	3,756	3,756
Provision for environmental remediation liabilities		-	4,020	4,020
Saskatchewan taxes and fees	af	103,534	(14,446)	89,088
		3,091,878	(199,110)	2,892,768
RESULTS FROM OPERATING ACTIVITIES		283,520	126,938	410,458
Finance income	ag	-	83,256	83,256
Finance expenses	ah	-	(208,005)	(208,005)
NET FINANCE EXPENSES		-	(124,749)	(124,749)
EARNINGS FROM OPERATIONS		283,520	2,189	285,709
Non-recurring items		4,113	(4,113)	-
Share of net profit of equity accounted investees	ai	-	16,493	16,493
EARNINGS FROM OPERATIONS		287,633	14,569	302,202
Net earnings from discontinued operations		2,900	526	3,426
NET EARNINGS		290,533	15,095	305,628

12. Explanation of transition to IFRS (continued)

Reconciliation of consolidated comprehensive income for the nine months ended September 30, 2010 (continued)
(thousands of dollars)

	Note	GAAP Balance	Adjustments	IFRS Balance
OTHER COMPREHENSIVE LOSS				
Defined benefit plan actuarial loss		-	(102,907)	(102,907)
Share of changes in comprehensive income recognized by associates		-	203	203
Foreign currency translation adjustments		(495)	315	(180)
Unrealized gain on cash flow hedges		520	25	545
Unrealized gains on available-for-sale financial assets	aj	16,756	(16,756)	-
Reclassification for realized gains on sale of investments included in operations	ai	(15,306)	15,306	-
Other		-	(543)	(543)
OTHER COMPREHENSIVE INCOME (LOSS)		1,475	(104,357)	(102,882)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO PROVINCE OF SASKATCHEWAN		$ 292,008	$ (89,262)	$ 202,746

Reconciliation of consolidated cash flows for the nine months ended September 30, 2010
(thousands of dollars)

Net change in cash under GAAP	$ 25,400
Differences increasing (decreasing) reported net change in cash:	
Cash used in operating activities	(12,607)
Cash from investing activities	11,982
Cash from financing activities	949
Net change in cash under IFRS	$ 25,724

Consistent with CIC's accounting policy choice under IAS 7 - *Statement of Cash Flows*, dividends received have been classified as investing activities. Interest paid has been reclassified from net earnings under GAAP into a separate line item in the operating activities section under IFRS. Interest received has been reclassified from net earnings within cash from operating activities under GAAP into a separate line item in the investing activities section under IFRS. Customer contributions which were netted against the purchase of property, plant and equipment under GAAP have been reclassified to operating cash flows under IFRS. There are no other material differences between the statement of cash flows presented under IFRS and the statement of cash flows presented under GAAP.

12. Explanation of transition to IFRS (continued)

The following tables provide breakdowns of reconciling items that impacted each financial statement line item as referenced in the reconciliations between GAAP and IFRS above (in cases where reconciling items result in differences in excess of $5.0 million unless otherwise noted). Narrative explanations for reconciling items follow the tables with cross references to those narratives as shown.

a Cash and cash equivalents
(thousands of dollars)

	Increase (decrease) September 30 2010
Reconciling item:	
Equity accounting under IFRS versus proportionate consolidation under GAAP (1)	$ (5,562)

b Accounts receivable
(thousands of dollars)

	Increase (decrease) September 30 2010
Reconciling items:	
Directory advertising revenues (2)	$ 10,534
Saskatchewan Auto Fund constructive obligation (3)	5,425
Reclassify customer down payments from accounts receivable to trade and other payables (4)	6,491
Other	4,779
	$ 27,229

c Assets classified as held-for-sale
(thousands of dollars)

	Increase (decrease) September 30 2010
Reconciling items:	
Reclassify long-term assets from discontinued operations to current (6)	$ 31,739
Other	1,244
	$ 32,983

12. Explanation of transition to IFRS (continued)

d Investments
(thousands of dollars)

		Increase (decrease) September 30 2010
Reconciling items:		
Equity accounting under IFRS versus proportionate consolidation under GAAP (1)	$	(24,308)
Revalue cost based investments (7)		6,211
Other		76
	$	(18,021)

e Investments in equity accounted investees
(thousands of dollars)

		Increase (decrease) September 30 2010
Reconciling items:		
Equity accounting under IFRS versus proportionate consolidation under GAAP (1)	$	67,828

f Property, plant and equipment
(thousands of dollars)

		Increase (decrease) September 30 2010
Reconciling items:		
Customer contributions (8)	$	512,575
Finance leases (9)		248,666
Property fair value adjustments (10)		204,529
De-capitalization of indirect overhead (11)		(156,570)
Equity accounting under IFRS versus proportionate consolidation under GAAP (1)		(99,340)
Reclassify investment property from property, plant and equipment (12)		(54,313)
Reclassify gas in storage from other assets to property, plant and equipment (13)		33,921
Capitalized interest (14)		(6,518)
Recalculation of decommissioning and environmental remediation provisions (15)		(23,240)
Capital reconstruction charge (16)		17,884
Reclassify government grants to other liabilities (17)		16,397
Other		(8,066)
	$	685,925

12. Explanation of transition to IFRS (continued)

g Investment property
(thousands of dollars)

		Increase (decrease) September 30 2010
Reconciling items:		
Reclassify investment property from property, plant and equipment (12)	$	54,313
Other		(680)
	$	53,633

h Intangible assets
(thousands of dollars)

		Increase (decrease) September 30 2010
Reconciling items:		
Reclassify goodwill from other assets to intangible assets (18)	$	6,557
Other		(1,089)
	$	5,468

i Other assets
(thousands of dollars)

		Increase (decrease) September 30 2010
Reconciling items:		
Employee future benefits (19)	$	(194,081)
Reclassify employee future benefits (20)		67,525
Reclassify gas in storage from other assets to property, plant and equipment (13)		(33,921)
Reclassify goodwill from other assets to intangible assets (18)		(6,557)
Other		2,269
	$	(164,765)

j Long-term assets from discontinued operations
(thousands of dollars)

		Increase (decrease) September 30 2010
Reconciling item:		
Reclassify long-term assets from discontinued operations to current (6)	$	(31,739)
Equity accounting under IFRS versus proportionate consolidation under GAAP (1)		(7,048)
Other		(567)
	$	(39,354)

12. Explanation of transition to IFRS (continued)

k Trade and other payables
(thousands of dollars)

	Increase (decrease) September 30 2010
Reconciling items:	
Reclassify employee future benefits (20)	$ (20,043)
Reclassify customer down payments from accounts receivable to trade and other payables (4)	6,491
Other	3,053
	$ (10,499)

l Deferred revenue - current
(thousands of dollars)

	Increase (decrease) September 30 2010
Reconciling items:	
Reclassify unpaid insurance claims to provisions (21)	$ (131,749)
Customer contributions (8)	16,171
Other	(1,246)
	$ (116,824)

m Provisions - current
(thousands of dollars)

	Increase (decrease) September 30 2010
Reconciling items:	
Reclassify unpaid insurance claims to provisions (21)	$ 131,749

12. Explanation of transition to IFRS (continued)

n Provisions – long-term
(thousands of dollars)

	Increase (decrease) September 30 2010
Reconciling items:	
Reclassify unpaid insurance claims to provisions (21)	$ 202,015
Reclassify decommissioning and environmental remediation liabilities to provisions (22)	243,875
Recalculation of decommissioning and environmental remediation provisions (15)	(9,816)
Recalculation of unpaid insurance claims (23)	814
Other	2,726
	$ 439,614

o Finance lease obligations
(thousands of dollars)

	Increase (decrease) September 30 2010
Reconciling item:	
Finance leases (9)	$ 410,110

p Long-term debt
(thousands of dollars)

	Increase (decrease) September 30 2010
Reconciling items:	
Equity accounting under IFRS versus proportionate consolidation under GAAP (1)	$ (71,294)

12. Explanation of transition to IFRS (continued)

q Employee future benefits
(thousands of dollars)

	Increase (decrease) September 30 2010
Reconciling items:	
Employee future benefits (19)	$ 249,787
Reclassify employee future benefits from other liabilities (20)	80,977
Reclassify employee future benefits from trade and other other payables (20)	20,043
Reclassify employee future benefits from other assets (20)	67,525
	$ 418,332

r Other liabilities
(thousands of dollars)

	Increase (decrease) September 30 2010
Reconciling items:	
Reclassify decommissioning and environmental remediation liabilities to provisions (22)	$ (243,875)
Reclassify unpaid insurance claims to provisions (21)	(202,015)
Reclassify employee future benefits (20)	(80,977)
Reclassify government grants to other liabilities (17)	16,397
Customer contributions (8)	16,202
Other	17,508
	$ (476,760)

s Long-term liabilities from discontinued operations
(thousands of dollars)

	Increase (decrease) September 30 2010
Reconciling item:	
Equity accounting used under IFRS versus proportionate consolidation under GAAP (1)	$ (5,687)

12. Explanation of transition to IFRS (continued)

t Retained earnings

(thousands of dollars)

		Increase (decrease) September 30 2010
Reconciling items:		
Customer contributions (8)	$	481,829
Employee future benefits (19)		(340,961)
Property fair value adjustments (10)		204,529
De-capitalization of indirect overhead (11)		(157,238)
Finance leases (9)		(163,681)
Reclassify actuarial losses from accumulated other comprehensive income to retained earnings (24)		(102,907)
Reclassify investment gains from accumulated other comprehensive income (25)		28,649
Capitalized interest (14)		(8,733)
Capital reconstruction charge (16)		17,884
Directory advertising revenues (2)		10,534
Recalculations for decommissioning and environmental remediation provisions (15)		(13,424)
Equity accounting under IFRS versus proportionate consolidation under GAAP (1)		12,407
Recalculation of unpaid insurance claims (23)		549
Saskatchewan Auto Fund constructive obligation (3)		5,425
Prepaid publishing expenses (5)		(4,022)
Revalue cost-based investments (7)		6,211
Other		(26,198)
	$	(49,147)

u Accumulated other comprehensive income (loss)

(thousands of dollars)

		Increase (decrease) September 30 2010
Reconciling items:		
Reclassify investment gains (losses) from accumulated other comprehensive income (25)	$	(28,649)
Reclassify actuarial losses from accumulated other comprehensive income to retained earnings (24)		(102,907)
Employee future benefits (19)		102,907
Other		3,523
	$	(25,126)

12. Explanation of transition to IFRS (continued)

v Sales of products and services
(thousands of dollars)

	Increase (decrease) 2010 July 1 to September 30	2010 January 1 to September 30
Reconciling items:		
Customer contributions (8)	$ 9,129	$ 33,065
Reclassify revenue collected for municipalities (26)	(2,335)	(14,446)
Directory advertising revenues (2)	2,760	(9,120)
Other	2,307	1,700
	$ 11,861	$ 11,199

w Investment revenue
(thousands of dollars)

	Increase (decrease) 2010 April 1 to September 30	2010 January 1 to September 30
Reconciling items:		
Reclassify investment revenue to finance income (27)	$ (30,062)	$ (62,159)
Equity accounting under IFRS versus proportionate consolidation under GAAP (1)	(1,136)	(7,093)
Reclassify investment revenue to share of net earnings of equity accounted investees (28)	(4,356)	(7,409)
Other	107	105
	$ (35,447)	$ (76,556)

x Other income
(thousands of dollars)

	Increase (decrease) 2010 April 1 to September 30	2010 January 1 to September 30
Reconciling items:		
Reclassify other income to finance income (29)	$ 1,233	$ (3,819)
Reclassify other income to finance expenses (29)	2,124	2,124
Other	(1,593)	(5,120)
	$ 1,764	$ (6,815)

12. Explanation of transition to IFRS (continued)

y Operating costs
(thousands of dollars)

	Increase (decrease) 2010 April 1 to September 30	Increase (decrease) 2010 January 1 to September 30
Reconciling items:		
Reclassify salaries, wages and short-term employee benefits (30)	$ (179,903)	$ (574,106)
Reclassify employee future benefits (31)	(23,116)	(68,977)
Finance leases (9)	(12,767)	(38,988)
Equity accounting under IFRS versus proportionate consolidation under GAAP (1)	3,132	7,891
Recalculation of unpaid insurance claims (23)	6,851	6,926
Employee future benefits (19)	1,765	5,300
Reclassify operating costs to research and development (32)	(1,589)	(3,756)
Other	2,819	(2,369)
	$ (202,808)	$ (668,079)

z Interest
(thousands of dollars)

	Increase (decrease) 2010 April 1 to September 30	Increase (decrease) 2010 January 1 to September 30
Reconciling items:		
Reclassify interest to finance expenses (33)	$ (53,949)	$ (163,603)
Capitalized interest (14)	(2,718)	(9,130)
Reclassify interest to finance income (34)	2,191	6,048
Other	45	138
	$ (54,431)	$ (166,547)

aa Salaries, wages and short-term employee benefits
(thousands of dollars)

	Increase (decrease) 2010 April 1 to September 30	Increase (decrease) 2010 January 1 to September 30
Reconciling items:		
Reclassify salaries, wages and short-term employee benefits (30)	$ 179,903	$ 574,106
De-capitalization of indirect overhead (11)	8,057	18,145
	$ 187,960	$ 592,251

12. Explanation of transition to IFRS (continued)

ab Employee future benefits
(thousands of dollars)

	Increase (decrease) 2010 April 1 to September 30	Increase (decrease) 2010 January 1 to September 30
Reconciling items:		
Reclassify employee future benefits (31)	$ 23,116	$ 68,977
Employee future benefits (19)	(11,372)	(34,117)
Other	(1,189)	(3,564)
	$ 10,555	$ 31,296

ac Depreciation and amortization
(thousands of dollars)

	Increase (decrease) 2010 April 1 to September 30	Increase (decrease) 2010 January 1 to September 30
Reconciling items:		
Customer contributions (8)	$ 4,868	$ 14,758
Finance leases (9)	3,882	11,646
Reclassify loss on sale of property, plant and equipment (35)	(1,894)	(5,368)
De-capitalization of indirect overhead (11)	(1,587)	(4,319)
Other	(1,559)	(5,254)
	$ 3,710	$ 11,463

ad Loss on disposal of property, plant and equipment
(thousands of dollars)

	Increase (decrease) 2010 April 1 to September 30	Increase (decrease) 2010 January 1 to September 30
Reconciling items:		
Reclassify loss on sale of property, plant and equipment (35)	$ 1,894	$ 5,368
Other	1,173	1,808
	$ 3,067	$ 7,176

12. Explanation of transition to IFRS (continued)

ae Research and development
(thousands of dollars)

	Increase (decrease)	
	2010 April 1 to September 30	2010 January 1 to September 30
Reconciling item:		
Reclassify operating costs to research and development (32)	$ 1,589	$ 3,756

af Saskatchewan taxes and fees
(thousands of dollars)

	Increase (decrease)	
	2010 April 1 to September 30	2010 January 1 to September 30
Reconciling item:		
Reclassify revenue collected for municipalities (26)	$ (2,335)	$ (14,446)

ag Finance income
(thousands of dollars)

	Increase (decrease)	
	2010 April 1 to September 30	2010 January 1 to September 30
Reconciling items:		
Reclassify investment revenue to finance income (27)	$ 30,062	$ 62,159
Reclassify other income to finance income (29)	(1,233)	3,819
Reclassify unrealized investment gains from accumulated other comprehensive income to finance income (25)	18,884	18,434
Reclassify realized investment gains from accumulated other comprehensive income to finance income (25)	(9,413)	(12,660)
Reclassify interest to finance income (34)	2,191	6,048
Other	4,911	5,456
	$ 45,402	$ 83,256

12. Explanation of transition to IFRS (continued)

ah Finance expenses
(thousands of dollars)

	Increase (decrease) 2010 April 1 to September 30	Increase (decrease) 2010 January 1 to September 30
Reconciling items:		
Reclassify interest to finance expenses (33)	$ (53,949)	$ (163,603)
Reclassify other income to finance expenses (29)	(2,124)	(2,124)
Finance leases (9)	(12,732)	(38,212)
Other	82	(4,066)
	$ (68,723)	$ (208,005)

ai Share of net profit of equity accounted investees
(thousands of dollars)

	Increase (decrease) 2010 April 1 to September 30	Increase (decrease) 2010 January 1 to September 30
Reconciling items:		
Reclassify investment revenue to share of net earnings of equity accounted investees (28)	$ 4,356	$ 7,409
Equity accounting under IFRS versus proportionate consolidation under GAAP (1)	872	5,731
Other	1,537	3,353
	$ 6,765	$ 16,493

aj Unrealized gains on available for sale financial assets
(thousands of dollars)

	Increase (decrease) 2010 April 1 to September 30	Increase (decrease) 2010 January 1 to September 30
Reconciling items:		
Reclassify unrealized investment gains from accumulated other comprehensive income to finance income (25)	$ (18,884)	$ (18,434)
Other	(407)	1,678
	$ (19,291)	$ (16,756)

12. Explanation of transition to IFRS (continued)

ai Reclassification for gains on sale of investments included in operations
(thousands of dollars)

	Increase (decrease) 2010 April 1 to September 30	Increase (decrease) 2010 January 1 to September 30
Reconciling items:		
Reclassify realized investment gains from accumulated other comprehensive income to finance income (25)	$ 9,413	$ 12,660
Other	(18)	2,646
	$ 9,395	$ 15,306

12. Explanation of transition to IFRS (continued)

Notes to financial statement line item reconciliations

1) Equity accounting used under IFRS versus proportionate consolidation under GAAP

Under IFRS, CIC accounts for jointly controlled interests using the equity method. Under GAAP, CIC accounted for these interests using the proportionate consolidation method. As part of the transition, CIC recognized its share of IFRS adjustments recorded by those jointly controlled interests.

2) Directory advertising revenues

Under GAAP directory advertising revenue was recognized on a monthly basis over the life of the print directory in accordance with the contractual terms with advertisers. Under IFRS, print directory revenues are recognized immediately when each directory is distributed to the public.

3) Saskatchewan Auto Fund constructive obligation

CIC allocates a portion of its post-retirement benefit costs associated with the SGI defined benefit pension plan and defined benefit service recognition plans to the Saskatchewan Auto Fund (the Fund) for those employees providing service to the Fund. IFRS adjustments related to recognition of actuarial gains and losses on these plans (see (18) below) result in corresponding adjustments to reallocate expenses to the Fund. The constructive obligation arises from events and transactions before the date of transition to IFRS and accordingly has been recognized directly in retained earnings.

4) Reclassify customer down payments from accounts receivable to trade and other payables

Under GAAP, customer down payments were netted against accounts receivable. Under IFRS, customer down payments have been reclassified to trade and other payables.

5) Prepaid publishing expenses

Under GAAP, expenses directly related to directory publications were deferred and amortized over the life of the related directory. Under IFRS, these expenses are recognized immediately when the related directory is distributed to the public.

6) Reclassify long-term assets from discontinued operations to current

Under GAAP, certain assets from discontinued operations were classified as long-term and shown on a separate line item on the statement of financial position. Under IFRS, all assets from discontinued operations are required to be classified as current on the statement of financial position.

7) Revalue cost-based investments

Certain investments formerly carried at cost under GAAP, are required to be carried at fair market value under IFRS.

8) Customer contributions

Under IFRS, customer contributions received from certain customers toward the costs of electricity and natural gas service extensions are initially recorded as current deferred revenue or other liabilities and recognized as revenue when the related capital asset is available for use and any obligations to refund monies to customers have expired. Under GAAP, customer contributions were netted against property, plant and equipment and amortized over the estimated service life of the related asset. Under GAAP, the amortization of these contributions was netted against depreciation expense.

Under GAAP, transfers of assets from customers related to telecommunication service connections were recorded as property, plant and equipment with a corresponding reduction in the cost of the related asset. Under IFRS, the corresponding adjustment on the receipt of the asset is recognized as revenue when the customer is connected to the telecommunications network.

12. Explanation of transition to IFRS (continued)

Notes to financial statement line item reconciliations (continued)

9) Finance leases

Under IFRS, certain take-or-pay power purchase agreements which give CIC the exclusive right to use specific production assets have been determined to meet the definition of a lease. Under GAAP, lease treatment was not required as the contracts were entered into prior to the effective date of the GAAP standard.

Upon transition to IFRS, CIC elected to recognize finance leases for these arrangements on the basis of facts and circumstances existing at the Transition Date.

10) Property fair value adjustments

IFRS 1 provides the option to measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date. On transition to IFRS, CIC elected to fair value certain land and building assets. Under GAAP, these properties were measured on the cost basis.

11) De-capitalization of indirect overhead

Under GAAP, CIC capitalized certain costs, including general and administrative overhead, which are not eligible to be capitalized under IFRS.

12) Reclassify investment property from property, plant and equipment

Certain assets classified as property, plant and equipment under GAAP meet the definition of investment property under IFRS.

13) Reclassify gas in storage from other assets to property, plant and equipment

Previously, certain natural gas in storage was classified in other assets. Under IFRS, given that this natural gas is a specified volume and integral to the operation of the Corporation's storage facilities it was reclassified to property, plant and equipment and will not be subject to depreciation.

14) Capitalized interest

Under GAAP, CIC capitalized borrowing costs on certain but not all of its qualifying assets. Under IFRS, interest on all qualifying assets is required to be capitalized.

15) Recalculation of decommissioning and environmental remediation provisions

Under IFRS, a decommissioning provision is a legal or constructive obligation associated with retiring and decommissioning a long-lived asset. CIC recognizes these provisions in the period incurred if a reasonable estimate of fair value (net present value) can be determined. Under GAAP, asset retirement obligations were recognized in respect of CIC's legal obligation to decommission its electricity generation and natural gas facilities. On transition to IFRS, these provisions were re-measured based on management's best estimate of future cash flows at the reporting date. Accordingly, CIC discounted the adjustment to the date that the liability first arose on commissioning, and calculated the accumulated depreciation on that amount based on current depreciation rates.

Under IFRS, a provision for environmental remediation liabilities is accrued when the occurrence of an environmental expenditure, related to present or past activities is considered probable and the costs of remedial activities can be reasonably estimated. Under GAAP, CIC recognized environmental remediation provisions based on management's best estimate considering current environmental laws and regulations.

Upon transition to IFRS, these environmental remediation provisions were re-measured at discounted amounts.

16) Capital reconstruction charge

Under GAAP, capital reconstruction charges received from certain customers towards the cost of constructing electrical facilities were netted against property, plant and equipment and amortized over the estimated service life of the related asset. Under IFRS, unamortized capital reconstruction charge balances no longer meet the requirements for deferral resulting in an immediate increase to retained earnings.

17) Reclassify government grants to other liabilities

Under GAAP, capital grants received from government entities outside of the consolidated group were netted against property, plant and equipment. IFRS does not allow netting of capital grants resulting in a reclassification of remaining balances to deferred revenue and other liabilities.

12. Explanation of transition to IFRS (continued)

Notes to financial statement line item reconciliations (continued)

18) Reclassify goodwill from other assets to intangible assets

Under GAAP, goodwill was classified as part of other assets. Under IFRS, goodwill is defined as an intangible asset resulting in the reclassification of outstanding goodwill balances.

19) Employee future benefits

Under IFRS, CIC's accounting policy is to recognize all actuarial gains and losses arising from employee future benefit plans directly in other comprehensive income in the period of occurrence. Under GAAP, CIC recognized actuarial gains and losses in earnings over the average remaining service life of the employees in the plan (the corridor approach). At the date of transition, all previously unrecognized cumulative actuarial gains and losses for all employee future benefit plans were recognized in retained earnings. The employee future benefit expense on the consolidated statement of comprehensive income has been calculated based on the actuarial valuations obtained at each period-end.

20) Reclassify employee future benefits

Under GAAP, employee future benefits were included on various financial statement line items including other assets, trade and other payables, and other liabilities. Under IFRS, all employee future benefits are reclassified to a separate employee future benefit line item.

21) Reclassify unpaid insurance claims to provisions

Under GAAP, unpaid insurance claims were included in deferred revenue and other liabilities. Under IFRS, unpaid insurance claims meet the definition of a provision and therefore have been reclassified to the provisions line item.

22) Reclassify decommissioning and environmental remediation liabilities to provisions

Under GAAP, decommissioning obligations and environmental remediation liabilities were included in other liabilities. Under IFRS, decommissioning obligations, and environmental remediation liabilities meet the definition of a provision and therefore have been reclassified to the provisions line item.

23) Recalculation of unpaid insurance claims

Under GAAP, liabilities for unpaid insurance claims were recorded at undiscounted values. IFRS requires these claims to be recorded at discounted values.

24) Reclassify actuarial losses from accumulated other comprehensive income to retained earnings

As explained in (19) above, actuarial losses on employee future benefit plans are initially recorded in other comprehensive income in the period of occurrence and subsequently reclassified to retained earnings.

25) Reclassify realized and unrealized investment gains from accumulated other comprehensive income

Under GAAP, unrealized gains on available-for-sale investments were included in accumulated other comprehensive income (AOCI) until realized. Under IFRS, unrealized gains and losses on available-for-sale investments are immediately recorded in net earnings, resulting in the reclassification of cumulative unrealized gains and losses at the date of transition from AOCI to retained earnings through finance income.

26) Reclassify revenue collected for municipalities

Under GAAP, revenue collected for municipalities was classified as part of sales of products and services. Under IFRS, this revenue is netted against Saskatchewan taxes and fees expense.

27) Reclassify investment revenue to finance income

Certain investment revenue under GAAP has been reclassified to the finance income line item on the consolidated statement of comprehensive income under IFRS.

28) Reclassify investment revenue to share of net earnings of equity accounted investees

Earnings from equity accounted investments were classified as investment revenue under GAAP but are reclassified to a separate line item on the statement of comprehensive income under IFRS.

12. Explanation of transition to IFRS (continued)

Notes to financial statement line item reconciliations (continued)

29) Reclassify other income to finance income or finance expenses

Certain amounts classified as other income under GAAP have been reclassified to the finance income or finance expense line items on the consolidated statement of comprehensive income under IFRS.

30) Reclassify salaries, wages and short-term employee benefits

Under GAAP, salaries, wages and short-term employee benefits were included within operating costs on the consolidated statement of comprehensive income. Under IFRS, salaries, wages and short-term employee benefits are presented on a separate line item on the consolidated statement of comprehensive income.

31) Reclassify employee future benefits

Under GAAP, employee benefits were included within operating costs on the consolidated statement of comprehensive income. Under IFRS, employee benefits are presented on a separate line item on the consolidated statement of comprehensive income.

32) Reclassify operating costs to research and development

Certain expenses included in operating costs under GAAP have been reclassified to the research and development line item on the consolidated statement of comprehensive income under IFRS.

33) Reclassify interest to finance expenses

Under GAAP, interest expense was presented as a separate line item on the consolidated statement of comprehensive income. Under IFRS, interest expenses are included in finance expenses.

34) Reclassify interest to finance income

Under GAAP certain interest income was netted against interest expense. These amounts have been reclassified to finance income under IFRS.

35) Reclassify loss on sale of property, plant and equipment

Loss on sale of property, plant and equipment which were netted against depreciation expense under GAAP have been reclassified to a separate line item on the consolidated statement of comprehensive income under IFRS.

Separate Financial Statements

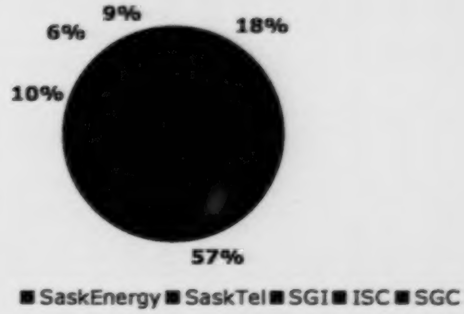
Management's Discussion and Analysis

CIC is the provincial government's holding company for its commercial Crowns. CIC has invested equity in its subsidiary Crown corporations and collects dividends from these corporations based on their profitability and financial condition.

This narrative on CIC's separate September 30, 2011 third quarter results should be read in conjunction with the September 30, 2011 unaudited condensed separate financial statements.

For the purposes of this narrative on CIC's separate financial results, "CIC" refers to the holding company.

Dividend Revenue



Transition to IFRS

The Canadian Accounting Standards Board confirmed that publicly accountable enterprises are required to adopt International Financial Reporting Standards (IFRS) in place of Canadian GAAP for interim and annual reporting in fiscal years beginning on or after January 1, 2011, including comparative figures for the prior year. The Public Sector Accounting Board (PSAB) in September 2009, approved an amendment to the introduction to the Public Sector Accounting Handbook, which requires Government Business Enterprises (GBE's) to adopt IFRS and Other Government Organizations (OGO's) to adopt either IFRS or the public sector handbook, whichever is considered the most appropriate basis of accounting. CIC, as a stand-alone entity is an OGO, however, because the majority of its subsidiaries are GBE's, CIC has selected IFRS as its accounting platform for the CIC separate financial statements. The September 30, 2011 unaudited interim condensed separate financial statements follow the same accounting policies as disclosed in CIC's March 31, 2011 unaudited interim separate financial statements. Readers should refer to those financial statements for information on all of CIC's separate financial statement accounting policies.

Financial Results

CIC Separate Third Quarter Earnings (thousands of dollars) (unaudited)		For the nine months ended September 30, 2011		For the nine months ended September 30, 2010
Dividend revenue from Crown corporations		**$**	**164.9**	$	215.9
Add: Finance and other revenue			**3.8**		3.3
Grant funding from GRF			**99.8**		59.8
Less: Operating, salaries and other expenses			**(11.9)**		(8.3)
Grants to subsidiary corporations			**(121.8)**		(83.3)
Total separate net earnings		**$**	**134.8**	$	187.4

Management's Discussion and Analysis (continued)

Net Earnings

Net earnings for the first nine months of 2011 were $134.8 million (2010 - $187.4 million). The first nine months' earnings decreased $52.6 million from the same period in 2010. The decrease is primarily due to decreases in dividend revenue of $51.0 million, increases in general, administrative and other expenses of $1.6 million, a write-down in CIC's investment in First Nations and Métis Fund Inc. of $2.0 million and increases in grants to subsidiary corporations of $38.5 million. These decreases were offset by increases in net financing income and other revenue of $0.4 million and increases in grant funding from the General Revenue Fund of $40.0 million.

Dividend Revenue

Dividend revenue for the nine months ended September 30, 2011 was $164.9 million (2010 - $215.9 million). The $51.0 million decrease was due to decreased dividends from SOCO ($9.0 million), which declared a $9.0 million special dividend to CIC during 2010, SaskTel ($29.8 million), SGI ($11.8 million), ISC ($2.3 million), and SGC ($1.2 million). The decreases were offset by increased dividends from SaskEnergy ($3.2 million).

For the first nine months of each year, dividends from subsidiary Crown corporations are based on 75.0 per cent of their forecasted dividend for the year. The forecasted dividend is calculated under CIC's dividend policy which applies a percentage payout of net earnings based on the overall financial health of the subsidiary Crown and its need for capital investment. These dividend forecasts are subject to change during the year if there is a significant change in circumstances. For the current year, the dividend at SaskTel and ISC is based on 90.0 per cent of net earnings, SaskEnergy (excluding the effect of unrealized market adjustments) and SGC are based on 80.0 per cent of net earnings and SGI is based on 75.0 per cent of net earnings. CIC AMI's dividend is calculated on a cash availability formula, which is determined at year end. In 2011, dividends from SaskPower have been eliminated in order to support SaskPower's significant capital program.

Operating, Salaries and Benefits and Other Expenses

Operating, salaries and benefits and other expenses were $11.9 million for the nine months ended September 30, 2011 (2010 - $8.3 million). The increase of $3.6 million was due mainly to funding provided by CIC to Canadian Light Source Inc. to research commercial production of medical isotopes and funding provided to International Performance Assessment Centre for Geologic Storage of CO2 (IPAC - CO_2) to provide storage risk assessment services to industry, government and other stakeholders on a global basis. CIC also wrote-down its investment in First Nation and Métis Fund Inc. to reflect losses sustained in the Corporation's investment in L & M Wood Products Limited Partnership.

Grants to Subsidiary Corporations

During the first nine months of 2011, CIC provided $121.8 million (2010 - $83.3 million) in grants to subsidiary corporations. STC received $7.1 million (2010 - $6.9 million) in grants to support ongoing operations. SaskEnergy received $11.6 million (2010 - $14.1 million) to fund the EnerGuide for Houses Program. SaskPower received $99.8 million (2010 - $59.8 million) for carbon capture and storage initiatives. CIC provided this grant out of restricted funding from the GRF. SaskTel received $Nil (2010 - $2.4 million) to fund the FleetNet communications network. SGI received $2.9 million (2010 - $Nil) to fund its vehicle registration rebate for hybrid and fuel efficient vehicles. Gradworks Inc., received $0.3 million (2010 - $Nil) to fund its internship program.

CIC's 2011 budget includes public policy and grant funding expenditures as follows: $10.9 million to support ongoing operations at STC; $29.4 million of funding to SaskEnergy for the EnerGuide for Houses Program; $10.0 million funding to SaskTel to fund rural infrastructure programs; and $0.4 million of operating grants to Gradworks.

Management's Discussion and Analysis (continued)

Liquidity and Capital Resources

Cash Flow Highlights (millions of dollars) (unaudited)	For the nine months ended September 30 2011	September 30 2010
Net cash from operations	**$ 124.3**	$ 195.4
Net cash from investing activities	**20.5**	159.5
Net cash used in financing activities	**(108.3)**	(374.8)
Net change in cash	**$ 36.5**	$ (19.9)

Liquidity

CIC finances its capital requirements through internally-generated cash flow and through borrowing from the GRF. The GRF borrows on CIC's behalf in capital markets.

Operating, Investing and Financing Activities

Cash from operations for the nine months ended September 30, 2011 was $124.3 million (2010 - $195.4 million). The $71.1 million decrease was due mainly to lower net earnings of $52.6 million, and a decrease in other non-cash working capital balances related to operations.

Cash from investing activities for the nine months ended September 30, 2011 was $20.5 million (2010 - $159.5 million). The difference from period to period is due to reclassifications of cash between cash and cash equivalents and short-term investments. Short-term money market investments are classified as cash and cash equivalents if maturity of the investment is 90 days or less and classified as short-term investments if maturity date is 91 days or more. Cash from investing activities was also affected by CIC funding $110.1 million to SaskPower for clean coal initiatives from restricted cash.

Cash used in financing activities was $108.3 million (2010 - $374.8 million). Financing activities consisted of dividends paid to the GRF of $8.5 million and decreases in deferred funding from the GRF of $99.8 million.

Debt Management

CIC as a legal entity has no debt. Currently, CIC does not expect to borrow in 2011.

Outlook and Key Factors Affecting Performance

The key factor affecting CIC's earnings is the level of net earnings and in turn dividends from commercial subsidiary Crown corporations. The CIC Board determines dividends from a commercial subsidiary after allocating cash for reinvestment within the Crown to sustain operations, to grow and to diversify, and for debt reduction if necessary.

CIC regularly assesses the appropriateness of the carrying value for its investments, and writes down an investment if it judges there to be a permanent impairment in carrying value. CIC regularly reviews its investments with private sector partners to determine the appropriateness of retention or sale.

Crown Investments Corporation of Saskatchewan
Condensed Separate Statement of Financial Position
As at
(thousands of dollars)
(unaudited)

	Note	**September 30 2011**	December 31 2010
ASSETS			
Current			
Cash and cash equivalents		**$ 197,336**	$ 160,811
Short-term investments		**243,623**	154,698
Interest and accounts receivable		**1,615**	2,845
Dividends receivable		**58,693**	60,785
Restricted cash and cash equivalents		**400**	110,505
		501,667	489,644
Equity advances to Crown corporations	5	**1,210,723**	1,090,036
Investments in share capital corporations		**97,910**	95,208
Equipment		**415**	434
Intangible assets		**492**	512
		$ 1,811,207	$ 1,675,834
LIABILITIES AND PROVINCE'S EQUITY			
Interest and accounts payable		**$ 2,874**	$ 14,627
Deferred funding		**400**	100,240
		3,274	114,867
Province of Saskatchewan's Equity			
Equity advances		**1,051,839**	931,152
Retained earnings		**756,094**	629,815
		1,807,933	1,560,967
		$ 1,811,207	$ 1,675,834

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Condensed Separate Statement of Comprehensive Income
For the Period
(thousands of dollars)
(unaudited)

	Note	2011 July 1 to September 30	2011 January 1 to September 30	2010 July 1 to September 30	2010 January 1 to September 30
INCOME FROM OPERATIONS					
Dividend	6	$ 50,604	$ 164,942	$ 73,569	$ 215,860
Other income		2	93	-	3
		50,606	165,035	73,569	215,863
EXPENSES					
Operating		1,966	4,649	922	3,046
Write-down of investments		2,000	2,000	-	-
Salaries and benefits		1,630	4,843	1,625	4,826
Future employee benefit expense		99	360	101	337
Depreciation and amortization		42	120	42	123
		5,737	11,972	2,690	8,332
EARNINGS FROM OPERATIONS		44,869	153,063	70,879	207,531
Finance income		1,282	3,679	1,452	3,345
Finance expenses		(2)	(7)	(2)	(7)
NET FINANCE INCOME		1,280	3,672	1,450	3,338
EARNINGS BEFORE PUBLIC POLICY INITIATIVES		46,149	156,735	72,329	210,869
Deferred grant funding earned		-	99,840	17,162	59,826
Grants to subsidiary corporations	7	(5,894)	(121,796)	(24,138)	(83,283)
NET EARNINGS ATTRIBUTABLE TO THE PROVINCE OF SASKATCHEWAN		40,255	134,779	65,353	187,412
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE PROVINCE OF SASKATCHEWAN		$ 40,255	$ 134,779	$ 65,353	$ 187,412

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Condensed Separate Statement of Changes in Equity
For the period
(thousands of dollars)
(unaudited)

	2011 January 1 to September 30	2010 January 1 to September 30
RETAINED EARNINGS		
Retained earnings - beginning of period	$ 629,815	$ 864,838
Total comprehensive income	134,779	187,412
Dividend to General Revenue Fund	(8,500)	(195,000)
Retained Earnings - end of period	756,094	857,250
EQUITY ADVANCES		
Equity advances - beginning of period	931,152	1,051,152
Equity advances received	120,687	-
Equity advances repaid	-	(120,000)
Equity advances - end of period	1,051,839	931,152
EQUITY ATTRIBUTED TO THE PROVINCE OF SASKATCHEWAN	$ 1,807,933	$ 1,788,402

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Condensed Separate Statement of Cash Flows
For the Period
(thousands of dollars)
(unaudited)

	Note	2011 January 1 to September 30	2010 January 1 to September 30
OPERATING ACTIVITIES			
Net earnings		**$ 134,779**	$ 187,412
Items not affecting cash from operations			
Amortization of discounts and premiums		**1,567**	-
Depreciation and amortization		**120**	123
Net finance income		**(3,672)**	(3,338)
		132,794	184,197
Net change in non-cash working capital balances related to operations	8	**(8,431)**	11,228
Interest paid		**(7)**	(7)
Net cash from operating activities		**124,356**	195,418
INVESTING ACTIVITIES			
Interest received		**3,679**	3,345
Purchase of investments		**(6,664)**	(3,374)
Write-down of investments		**2,000**	-
(Increase) decrease in short-term investments		**(90,492)**	98,633
Decrease in restricted cash and cash equivalents		**110,105**	57,454
Repayment of due from CIC Economic Holdco Ltd.		**590**	206
Repayment of due from Apex Equity Holdco Ltd.		**1,372**	1,804
Repayment of due from First Nations and Métis Fund Inc.		**-**	1,000
Purchase of equipment and intangible assets		**(81)**	(25)
Proceeds from retraction of equity advances		**-**	500
Net cash from investing activities		**20,509**	159,543
FINANCING ACTIVITIES			
Decrease in deferred funding		**(99,840)**	(59,826)
Repayment of equity advances		**-**	(120,000)
Dividend paid to General Revenue Fund		**(8,500)**	(195,000)
Net cash used in financing activities		**(108,340)**	(374,826)
NET CHANGE IN CASH DURING PERIOD		**36,525**	(19,865)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		**160,811**	96,009
CASH AND CASH EQUIVALENTS, END OF PERIOD		**$ 197,336**	$ 76,144

(See accompanying notes)

1. General information

Crown Investments Corporation of Saskatchewan (CIC) is a corporation domiciled in Canada. The address of the CIC's registered office and principal place of business is 400 - 2400 College Avenue, Regina, SK, S4P 1C8. CIC was established to act as a holding corporation for the province's commercial Crown sector. CIC develops broad corporate policy, directs investments for its subsidiaries and provides dividends to the province's General Revenue Fund (GRF). A list of CIC's subsidiaries is contained in Note 3.

2. Basis of preparation

a) Statement of compliance

The condensed separate financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 - *Interim Financial Reporting*. The policies set out have been consistently applied to all the periods presented unless otherwise noted.

CIC's condensed separate interim financial statements are prepared at the request of the Legislative Assembly of Saskatchewan. Reconciliations and descriptions of the effect of the transition from previous Canadian GAAP to IFRS on equity, earnings, and comprehensive income are included in Note 9.

The condensed separate interim financial statements were authorized for issue by the CIC Board of Directors on November 23, 2011.

b) Functional and presentation currency

These condensed separate interim financial statements are presented in Canadian Dollars, which is the CIC's functional currency.

3. Status of Crown Investments Corporation of Saskatchewan

The Government Finance Office was established by Order in Council 535/47 dated April 2, 1947, and was continued under the provision of *The Crown Corporations Act, 1993* (the Act), as CIC. CIC is an agent of Her Majesty in Right of the Province of Saskatchewan and as a provincial Crown corporation is not subject to federal and provincial income taxes.

The Act assigns specific financial and other responsibilities to CIC regarding Crown corporations designated or created as subsidiary Crown corporations of CIC under the Act. The following wholly-owned Crown corporations have been designated or created by Order in Council:

Information Services Corporation of Saskatchewan
SaskEnergy Incorporated
Saskatchewan Development Fund Corporation
Saskatchewan Gaming Corporation
Saskatchewan Government Insurance
Saskatchewan Opportunities Corporation
Saskatchewan Power Corporation
Saskatchewan Telecommunications
Saskatchewan Telecommunications Holding Corporation
Saskatchewan Transportation Company
Saskatchewan Water Corporation

In addition to the above Crown corporations, CIC is the sole member of Gradworks Inc., a non-profit corporation and the sole shareholder of CIC Asset Management Inc. (CIC AMI), First Nations and Métis Fund Inc. (FNMF), Saskatchewan Immigrant Investor Fund Inc. (SIIF), CIC Economic Holdco Ltd., and CIC Apex Equity Holdco Ltd. which are wholly-owned share capital subsidiaries.

All subsidiary Corporations are domiciled in Canada.

4. Summary of significant accounting policies

The accounting policies and methods of computation used in the preparation of these condensed separate interim financial statements are consistent with those disclosed in CIC's March 31, 2011 separate interim financial statements.

CIC's condensed separate interim financial statements do not consolidate the activities of its subsidiaries. Other than this exception, the accounting policies have been consistently applied by CIC's subsidiary corporations.

CIC prepares condensed consolidated interim financial statements in accordance with IAS 27 - *Consolidated and Separate Financial Statements*. The unaudited condensed consolidated interim financial statements have been authorized by the CIC Board of Directors on November 23, 2011. CIC's condensed consolidated interim financial statements should be referenced for further information.

5. Equity advances to crown corporations

Equity advances to Crown corporations are as follows:
(thousands of dollars)

	September 30 2011	December 31 2010
Saskatchewan Power Corporation	**$ 660,000**	$ 660,000
Saskatchewan Telecommunications Holding Corporation	**250,000**	250,000
Saskatchewan Opportunities Corporation (a)	**120,687**	-
Saskatchewan Government Insurance	**80,000**	80,000
SaskEnergy Incorporated	**71,531**	71,531
Saskatchewan Gaming Corporation	**19,805**	19,805
Saskatchewan Water Corporation	**8,700**	8,700
	$ 1,210,723	$ 1,090,036

a) On March 31, 2011 CIC received investment properties with a value of $120.7 million from the GRF as an equity investment in CIC. On March 31, 2011, CIC transferred the investment properties to Saskatchewan Opportunities Corporation. The transfer of these assets represents an equity investment by CIC in Saskatchewan Opportunities Corporation.

The value of these properties was determined consistent with the IFRS framework upon transfer from the GRF.

6. Dividend revenue

Dividend revenue consists of the following:
(thousands of dollars)

	September 30 2011	September 30 2010
Saskatchewan Telecommunications Holding Corporation	**$ 93,758**	$ 123,525
SaskEnergy Incorporated	**29,866**	26,616
Saskatchewan Government Insurance	**16,180**	28,058
Saskatchewan Gaming Corporation	**15,328**	16,529
Information Services Corporation	**9,810**	12,132
Saskatchewan Opportunities Corporation	**-**	9,000
	$ 164,942	$ 215,860

7. Grants to subsidiary corporations
(thousands of dollars)

	September 30 2011	September 30 2010
Saskatchewan Power Corporation	$ 99,840	$ 59,826
SaskEnergy Incorporated	11,556	14,070
Saskatchewan Transportation Company	7,150	6,900
Saskatchewan Government Insurance	2,950	-
Gradworks Inc.	300	-
Saskatchewan Water Corporation	-	49
Saskatchewan Telecommunications Holding Corporation	-	2,438
	$ 121,796	$ 83,283

8. Net change in non-cash working capital balances related to operations
(thousands of dollars)

	September 30 2011	September 30 2010
Decrease in interest and accounts receivable	$ 1,230	$ 1,283
Decrease in dividends receivable	2,092	7,628
(Decrease) increase in interest and accounts payable	(11,753)	2,317
	$ (8,431)	$ 11,228

9. Explanation of transition to IFRS

As stated in Note 2(a), CIC's condensed separate financial statements are prepared in accordance with IFRS.

The accounting policies set out in Note 4 have been applied in preparing the condensed separate interim financial statements for the nine months ending September 30, 2011, the comparative information presented for the nine month period ending September 30, 2010 and comparative information for the year ending December 31, 2010.

In preparing its IFRS statement of financial position CIC has adjusted amounts reported previously in financial statements prepared in accordance with previous Canadian GAAP. An explanation of how the transition from previous Canadian GAAP to IFRS has affected CIC's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

IFRS 1 provides the option to measure investments in subsidiaries, at the date of transition to IFRS, at their previous Canadian GAAP carrying amounts and use that amount as deemed cost.

(thousands of dollars)

9. Explanation of transition to IFRS (continued)

Reconciliation of equity

	Note	September 30, 2010		
		GAAP Balance	IFRS Adjustments	IFRS Balance
ASSETS				
Current				
Cash and cash equivalents		$ 76,144	$ -	$ 76,144
Short-term investments		353,196	-	353,196
Interest and accounts receivable		1,828	-	1,828
Dividends receivable		78,069	-	78,069
Restricted cash and cash equivalents		72,515	-	72,515
		581,752	-	581,752
Restricted cash and cash equivalents		83,856	-	83,856
Equity advances to Crown corporations		1,082,236	-	1,082,236
Investments in share capital corporations	a	46,085	152,725	198,810
Equipment		469	-	469
Intangible assets		252	-	252
		$ 1,794,650	$ 152,725	$ 1,947,375

(thousands of dollars)

9. Explanation of transition to IFRS (continued)

Reconciliation of equity (continued)

		September 30, 2010		
	Note	GAAP balance	IFRS adjustments	IFRS balance
LIABILITIES AND PROVINCE'S EQUITY				
Interest and accounts payable		$ 8,658	$ -	$ 8,658
Deferred funding		150,315	-	150,315
		158,973	-	158,973
Province of Saskatchewan's Equity				
Equity advances		931,152	-	931,152
Retained earnings	a	704,525	152,725	857,250
		1,635,677	152,725	1,788,402
		$ 1,794,650	$ 152,725	$ 1,947,375

(thousands of dollars)

9. Explanation of transition to IFRS (continued)

Reconciliation of total comprehensive income

		2010 July 1 to September 30			2010 January 1 to September 30		
	Note	GAAP balance	IFRS adjustments	IFRS balance	GAAP balance	IFRS adjustments	IFRS balance
REVENUE FROM OPERATIONS							
Dividend		$ 73,569	$ -	$ 73,569	$ 215,860	$ -	$ 215,860
Other income	b	1,452	(1,452)	-	3,348	(3,345)	3
		75,021	(1,452)	73,569	219,208	(3,345)	215,863
EXPENSES							
Operating	c	2,650	(1,728)	922	8,216	(5,170)	3,046
Salaries and benefits	c	-	1,625	1,625	-	4,826	4,826
Future employee benefit expenses	c	-	101	101	-	337	337
Depreciation and amortization		42	-	42	123	-	123
		2,692	(2)	2,690	8,339	(7)	8,332
EARNINGS FROM OPERATIONS		72,329	(1,450)	70,879	210,869	(3,338)	207,531
Finance income	b	-	1,452	1,452	-	3,345	3,345
Finance expenses	b	-	(2)	(2)	-	(7)	(7)
NET FINANCE INCOME		-	1,450	1,450	-	3,338	3,338
EARNINGS BEFORE PUBLIC POLICY INITIATIVES		72,329	-	72,329	210,869	-	210,869
Deferred grant funding earned		17,162	-	17,162	59,826	-	59,826
Grants to subsidiary corporations		(24,138)	-	(24,138)	(83,283)	-	(83,283)
NET EARNINGS ATTRIBUTED TO THE PROVINCE OF SASKATCHEWAN		65,353	-	65,353	187,412	-	187,412
OTHER COMPREHENSIVE INCOME		-	-	-	-		-
TOTAL COMPREHENSIVE INCOME ATTRIBUTED TO THE PROVINCE OF SASKATCHEWAN		$ 65,353	$ -	$ 65,353	$ 187,412	$ -	$ 187,412

9. Explanation of transition to IFRS (continued)

a) CIC's investment in its subsidiary CIC AMI was written down by $152.7 million under previous Canadian GAAP to reflect losses in value of certain assets held by CIC AMI. CIC has determined that the fair value of the remaining assets of CIC AMI at transition to IFRS exceeded CIC's book value by more than $152.7 million. Therefore, CIC has adjusted its investment in CIC AMI by $152.7 million to reverse its original write-down.

b) Under previous Canadian GAAP interest revenue was classified as other income. The amount has been reclassified to finance income under IFRS. Interest expense classified as an operating and administration expense under Canadian GAAP has been reclassified to finance expense under IFRS.

c) Under previous Canadian GAAP salaries and wages and future employment expenses were classified as operating and administration expense. These amounts have been reclassified to separate expense categories under IFRS.

Reconciliation of cash flow

For the nine months ended September 30, 2010 there were no material reconciling items between previous Canadian GAAP and IFRS cash flows.